GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4073
ANSWERED ON:27.03.2017
Impact of MNCs on MSMEs
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Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Micro, Small and Medium Enterprises (MSMEs) are lagging behind due to availability of products of multinational companies (MNCs);

(b) if so, the details thereof and the reasons for decline in quality and prices of indigenous products in comparison to the China products;

(c) whether Government has provided any assistance or taken some preventive measures to encourage and give protection to the indigenous MSMEs Sector; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI HARIBHAI PARATHIBHAI CHAUDHARY)

(a)to(d): Micro, Small and Medium Enterprises (MSME) in India face competition from imported products as well as large domestic manufacturers. Indian MSMEs face multiple challenges in terms of infrastructure, logistics, cost of credit and availability of technology which affects their cost competitiveness.

Government of India has taken multiple measures to improve competitiveness of Indian industry. These include efforts taken under Make in India, Ease of Doing Business, improvement in infrastructure and logistics, improved availability of credit through MUDRA, Stand up India etc.

Ministry of Micro, Small and Medium Enterprises is implementing various Policies/ schemes / programmes to provide the assistance to encourage and protect domestic MSMEs. Some of such Policies /Schemes are Public Procurement Policy for MSEs under Market Development Assistance Scheme, National Manufacturing Competitiveness Programme (NMCP), Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme and Cluster Development Programme. These schemes / programmes help MSMEs growth, increase their competitiveness with the products of multinational companies.

Government has also taken preventive measures by imposing anti-dumping duties, permitted under WTO, for restricting imports when the imports from any country have been established as unfairly affecting the market for goods and services produced by Indian industries. Government also imposes safeguard duties to protect industry against the surge of imports from other countries. These mechanisms are operated by Directorate General of Anti-Dumping and Allied Duties (DGAD) and Directorate General of Safeguards (DGSG) respectively.